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EAST BAY / MUNICIPAL UTILITY DISTRICT
P. O. BOX 24055 • OAKLAND, CA 94623 • (415) 835-3000

WATER SYSTEM BONDS

How much & why?

PUBLIC MEETING
7:30 p.m., Wednesday,
June 4, 1980

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WATER SYSTEM BONDS

How much & why?

East Bay Municipal Utility District is considering the issuance of revenue bonds totaling \$120 million over the next five years to finance the construction of major water system improvements.

An informational public meeting regarding the authorization of the revenue bonds and the projects to be constructed will be held on Wednesday, June 4, 1980 at 7:30 p.m. The meeting will be at the Kaiser Center Auditorium, 300 Lakeside Drive, Oakland.

The principal projects to be funded by the bonds include the doubling of EBMUD's capacity to generate hydro-electric power at its two dams on the Mokelumne River and improvements to protect the Mokelumne Aqueducts where they cross Delta islands and are vulnerable to earthquakes and flood waters. Other projects include earthquake safety construction for water system facilities in the East Bay, modifications to EBMUD water treatment plants, and improvements to the water distribution system.

Under California law, EBMUD's authorization for the revenue bonds, passed by the Board of Directors on May 13 this year, may be subject to voter approval at a referendum election. If petitions with approximately 10,000 signatures, which is equal to three

percent of the total vote cast in the EBMUD service area at the last general election, are submitted to the Utility District, the bond authorization would have to be placed on the November ballot. The Board authorization also could be placed on the ballot by the EBMUD Board itself without petition.

Signatures would have to be filed with the Secretary of the District by August 4, 1980. If sufficient signatures are submitted, an election would be called. A simple majority of those voting on the measure would confirm the authorization. If petitions are not filed, and an election not called, EBMUD's revenue bond authorization would become effective on that date. Specific information regarding the petition process may be obtained from the EBMUD Secretary, telephone 835-3000, extension 203.

As a result of the Jarvis-Gann tax initiative, EBMUD — and most all other public agencies — can no longer issue new general obligation bonds, which are secured by property taxes, to finance large capital projects as it has in the past. Revenue bonds may result in somewhat higher interest costs to the Utility District. They would be paid back from the sale of water and power and not from property taxes, and consequently could result in higher water rates.

On the effective date of the bond authorization, whether in July or if confirmed by the voters in November, EBMUD could then sell bonds as needed over the next few years to pay for the progress of construction projects. Each sale of bonds would require specific approval of the EBMUD Board of Directors at the time of sale, and the total could not exceed the limit of the initial bond authorization. The specific projects to be financed with the bonds also would be subject to approval in accordance with normal procedures.

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How much & why?

Here are details of the specific projects and their estimated costs, which are subject to modification based on final technical design requirements and inflation:

Hydroelectric Power Generation

Pardee Power Plant\$6.5 million
Camanche Power Plant\$16.5 million

At the present time, Pardee Dam has a power house with two generating units; Camanche Dam was constructed at a time when a power plant could not be justified economically, and consequently has no generating facilities. The energy situation has changed, the generating capacity is needed, and the construction and operating costs are now feasible. These funds would add one generating unit at Pardee Dam and a power house and three generating units at Camanche Dam. Current revenue from power generation at Pardee is \$600,000 annually; first year revenue after the new facilities are constructed would be more than \$5 million, and subsequent annual revenue would not be lower and is expected to increase.

Delta Aqueduct Security

Improving supports of Mokelumne Aqueduct No. 1 across San Joaquin Delta Islands\$9 million

The water supply of the Utility District comes from Pardee Reservoir on the Mokelumne River east of Lodi, traveling 90 miles to the East Bay through three large pipes which cross the Delta. On four below-sea-level islands, the aqueducts are above ground on supports. The supports



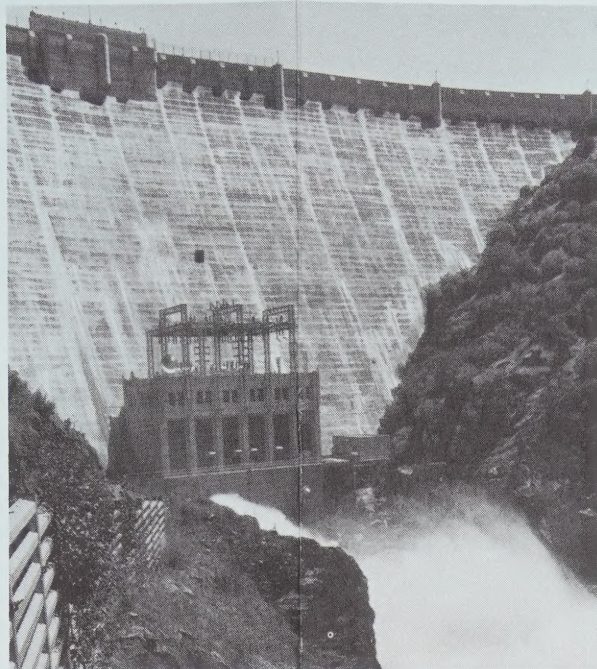
Mokelumne Aqueducts across Delta Islands

of the oldest aqueduct—built more than 50 years ago—need to be improved to increase their resistance to earthquakes.

Reinforcing levees at aqueduct river crossing\$17 million

Recent flooding of Delta islands has demonstrated their vulnerability to high water conditions in the Delta; thorough

studies have shown that the levees could also be expected to fail during a severe earthquake. The Mokelumne Aqueducts are particularly vulnerable to damage from levee failures at the point where the aqueducts cross river channels and are imbedded in the levees. These funds would provide for the reinforcement of 500 feet of levee on either side of the aqueducts at seven locations.



Pardee Dam and Powerhouse

East Bay Reservoir Safety

San Pablo Dam Improvements\$4.1 million

These funds are needed to pay for the completion of seismic stability work at San Pablo Dam. It is the last phase of a \$17 million project—funded by previous bond issues—to improve the earthquake safety of the 61-year-old dam.

Chabot Dam Improvements\$1.9 million

Construction is also nearing completion on a new spillway for Chabot Dam and on work to raise the top of the dam. The spillway was built more than 100 years ago, and does not meet modern standards for flood capacity; the increase in the elevation of the dam will provide increased free-board and safety during an earthquake.

Water Quality Improvements

Treatment plant projects\$5.9 million

These 16 projects at various water filtration plants and other locations are needed mostly to assure continued compliance with new Federal quality standards and other requirements, to reduce operating and maintenance costs, and to improve system reliability.

Distribution Reservoir Storage Deficiency

Construction of three reservoirs\$9.2 million

Two reservoirs—Alamo, 10 million gallons, and Sherburne, 15 million gallons—are needed in the San Ramon Valley and

one—Rheem No. 2, 5 million gallons—in Moraga primarily because of existing deficiencies in the storage of filtered drinking water to serve current customers. These reservoirs may provide capacity for additional customers anticipated in those areas in the near future; the cost estimates stated above are only the amounts needed to correct the existing storage deficiencies.

Pumping Plant Improvements

Wildcat Pumping Plant\$1.9 million
Improvements to five existing pumping plants\$1.5 million

The new Wildcat Pumping Plant will improve system reliability, particularly in connection with earthquakes. Other improvements are needed to reduce capacity deficiencies and to improve operations.

Distribution Mains

Sequoia No. 2 Aqueduct\$5.6 million
San Leandro Channel Crossing\$1 million
Diablo Road - Diablo Pumping Plant\$1.8 million
Ten additional water main projects\$3.3 million

Construction of Sequoia No. 2 is primarily to improve system reliability in an earthquake; the balance are for similar purposes or to correct existing system deficiencies.

Other Inclusions

Structural\$0.8 million

Includes funds for modifications of the administration center and a caretaker's residence at Upper San Leandro Dam.

Reserves\$34 million

Includes a Contingency Reserve of approximately 26 percent and a Revenue Bond Reserve of approximately 14 percent as recommended by bond counsel.



New Spillway for Chabot Dam

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Kaiser Center Auditorium
300 Lakeside Drive, Oakland

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